

To: MSHDA

From: David Layne

Subject: QAP feedback

Date: 4/29/16

The Affordable Assisted Living program has been an enormously successful way to house seniors needing "assisted living" who otherwise would be unable to afford it.

Grand Rapids (Heron Manor), Macomb & Oakland Counties (American House) and Detroit (Rivertown) have provided our residents vitally needed affordable housing alternatives.

I had the privilege along with Jennifer Scally of Area Agency on Aging, as two Housing Specialist in Michigan's Nursing Facility Transition program to present earlier this week at the Building Michigan's Communities conference "Senior Housing: what we have; what we need". I have attached 3 slides from our presentation documenting from Harvard's rental study clearly and convincingly how enormous the challenge that lies ahead for Michigan to try and meet the growing needs of our elderly population.

As the baby boomer generation ages, as costs continue to sky rocket, Michigan must continue to address this growing need.

I believe that committing to the continuing evolution of the Affordable Assisted Living (AAL) program shows our residents MSHDA's ongoing commitment to responsibly trying to stay ahead of what ALL the experts say will be an exponentially bigger problem down the road.

In synchronizing the goals of the tax credit program with these growing needs, MSHDA could incentivize QAP points for addressing and meeting the requirements of the AAL program.

All of us have family, or friends and neighbors who are aging, and facing or will face these family decisions in times where both rental and health costs continue to skyrocket.

Please stay committed and active in continuing this wonderful program.

(see attached Harvard data)

# Housing America's OLDER ADULTS

Data from a new report released by the Harvard Joint Center for Housing Studies  
with support from the AARP Foundation

## AMERICA IS AGING



**132 million**

In the next 20 years,  
the population aged 50+  
will increase from  
109 million to 132 million.

By 2030, the U.S. population aged 50 or over will increase to 132 million. In this time, the number of adults aged 65-74 will nearly double from 21.7 million in 2010 to 38.6 million in 2030.

**1 in 5**

people will be  
65 and over  
in 2030.

**1 in 8**

people will be  
75 and over  
in 2040.



In 2012, one third of adults aged 50 and over (nearly 20 million households) paid more than 30% of their income for housing, including nearly 9.6 million who paid more than 50% of their income for housing.

## THE HIGH COST OF HOUSING



Owner:  
6-9 Years

The typical homeowner over 65 can afford in-home assistance for nearly 9 years or 6.5 years of assisted living.



Renter:  
2 Months

The typical renter over 65, however, can only afford 2 months of these supports.

# MISMATCH BETWEEN RENTAL SUPPLY AND DEMAND

PARTICULARLY FOR LOWEST INCOME HOUSEHOLDS

..... INCREASING CONSTRUCTION NOT ENOUGH TO MEET SURGING DEMAND .....

## VACANCY RATES AT 30 YEAR LOW RENTS INCREASING AT NEAR RECORD PACE



fastest pace of multifamily  
housing construction in  
**30 years**



**7.1%**  
vacancy rate  
lowest in 30 years



**3.5%**  
real increase in rents  
nearly the fastest pace in 30 years

## LOW INCOME HOUSEHOLDS FEELING INCREASING CRUNCH

**49%** **cost burdened**  
spending 30% of income on housing (up from 41% in 2001)

**26%** **severely cost burdened**  
spending 50%+ of income on housing (up from 20% in 2001)

**50%** of renter households make **< \$34K**



... but only **10%** of new multifamily units are affordable at this income



For interactive map with cost burden data for metropolitan areas visit [www.jchs.harvard.edu/americas-rental-housing](http://www.jchs.harvard.edu/americas-rental-housing)

## THE HOUSING ASSISTANCE GAP



**3.9 million**

The number of low-income older renters eligible for housing assistance in 2011.

**VS.**

**1.4 million**

Due to a supply gap, the number of low-income older renters who actually received housing assistance in 2011.

### HIGH HOUSING COSTS FORCE LOW-INCOME OLDER ADULTS TO CUT BACK ON OTHER THINGS



#### FOOD

Households spending more than half their income on housing spend over 40% less on food than those living in housing they can afford.



#### HEALTH CARE

Severely cost-burdened households aged 50-64 spend 70% less on health care than those living in housing they can afford.



#### SAVINGS

Those aged 50-64 who spend more than half their income on housing spend over 70% less on retirement savings.



61% of older adults limit their driving to certain hours of the day, and 21% say they frequently or occasionally miss out on activities they like to do, because of driving limitations.

[www.jchs.harvard.edu](http://www.jchs.harvard.edu)

[www.aarpfoundation.org](http://www.aarpfoundation.org)